AUG 19 1986
COMPLETED
5
Y1.1/5:99-334

99TH CONGRESS
2d Session
SENATE
REPORT
99-334

ORIGINAL

AUTHORIZATION OF APPROPRIATIONS FOR THE U.S. TRAVEL AND TOURISM ADMINISTRATION

JULY 14, 1986.—Ordered to be printed

Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 2307]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2307) to provide authorization of appropriations for activities of the U.S. Travel and Tourism Administration, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The bill, as reported, amends section 304 of the International Travel Act of 1961 to authorize funding for 3 fiscal years for the U.S. Travel and Tourism Administration [USTTA]. The bill reauthorizes funding for USTTA for fiscal years 1987, 1988, and 1989 at $13 million, $14 million, and $15 million, respectively.

BACKGROUND AND NEEDS

USTTA was created by the enactment of the National Tourism Policy Act (Public Law 97-63) which was enacted, in part, to "* * * optimize the contribution of the tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the United States * * *"

In order to implement the National Tourism Policy Act, USTTA was created and empowered to carry out the following activities:

1. To establish services to assist foreign visitors arriving at major U.S. ports-of-entry;
2. To consult with foreign governments on travel and tourism matters, and to represent United States travel and tourism interests before international and intergovernmental meetings;

71-010 O

CDP

BEST COPY AVAILABLE

3. To develop and administer a comprehensive program relating to travel industry information, data service, training and education, and technical assistance;

4. To develop a program to seek and receive information on a continuing basis from the tourism industry regarding needs and interests which should be met by a Federal agency and to direct that information accordingly;

5. To encourage to the maximum extent feasible travel to and from the United States on U.S. carriers; and

6. To ensure that the resources of the Department of Commerce are used effectively and efficiently to carry out the national tourism policy.

This year the administration has recommended, as it has in previous years, that USTTA begin to phase out operations during the upcoming fiscal year. The Committee notes that proposals by successive administrations to reduce or eliminate Federal travel and tourism promotion have required the Congress to act each year to provide a funding authorization for USTTA and its predecessor, the U.S. Travel Service.

The Committee finds this situation awkward, especially in view of the fact that international cooperative marketing plans developed through USTTA must necessarily span 2 to 3 years in order for State, local, and private participants to have the advance time required to budget for involvement in, and to schedule into, overseas travel trade exhibitions. The Committee wishes to provide a multiyear USTTA authorization to demonstrate the intent of Congress to provide adequate funding for USTTA on a long-term basis.

At this time, USTTA is operating without an authorization. On June 11, 1985, the Committee favorably reported S. 374 which would authorize $12 million, $13 million, and $14 million for the USTTA for fiscal years 1986, 1987, and 1988, respectively. However, the bill was never considered by the Senate. An appropriation of $12 million was approved for USTTA for fiscal year 1986, which has been reduced to $11.484 million as a result of the March 1 sequestration order. S. 2307 was introduced to reiterate the desire of the Committee to provide for the long-term continuation of USTTA at sufficient funding levels to preserve all ongoing programs.

Legislative History

S. 2307 was introduced by Senator Pressler on April 15, 1986 with 17 original cosponsors and 6 additional cosponsors. On April 18, 1986, the Subcommittee on Business, Trade, and Tourism held a hearing on authorizing funding for USTTA. On June 12, the Committee considered S. 2307 at an open executive session. The Committee by voice vote ordered the bill to be favorably reported without amendment.

Estimated Costs

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

BEST COPY AVAILABLE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 20, 1986.

Hon. JOHN D. DANFORTH,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 2307, a bill to provide authorization of appropriations for activities of the United States Travel and Tourism Administration.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 2307.

2. Bill title: A bill to provide authorization of appropriations for activities of the United States Travel and Tourism Administration.

3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation, June 12, 1986.

4. Bill purpose: S. 2307 would authorize the appropriation of $13 million in fiscal year 1987, $14 million in fiscal year 1988, and $15 million in fiscal year 1989 to carry out the activities of the U.S. Travel and Tourism Administration (USTTA).

Fiscal year 1986 funding to date for the USTTA is $11.5 million, after the reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. The President is requesting $4 million for these activities for fiscal year 1987.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1987	1988	1989	1990	1991
Estimated authorization level	13	14	15		
Estimated outlays	10	14	15	3	

Including outlays from prior years' appropriations to date, total outlays in fiscal year 1987 are estimated to be $13 million.

The costs of this bill fall within budget function 370.

Basis of estimate: The authorization levels are those stated in the bill. Outlays are estimated based on historical spending patterns for the USTTA.

6. Estimated cost to State and local governments: None.

7. Estimated comparison: None.

8. Previous CBO estimated None.

9. Estimated prepared by: Theresa Gullo.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

BEST COPY AVAILABLE

Regulatory Impact Statement

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation:

The bill merely reauthorizes funding for existing programs of USTTA for fiscal years 1987, 1988, and 1989. The bill will not change these programs, and will have no additional impact on the number of businesses or individuals subject to Federal regulation, personal privacy, or Federal paperwork.

Section-by-Section Analysis

SECTION 1

The first section of the bill contains findings with regard to the importance of travel and tourism to the economy of the United States, and a description of the role of USTTA in promoting travel and tourism.

SECTION 2

Section 2 authorizes $13 million, $14 million, and $15 million for the fiscal years 1987, 1988, and 1989, respectively.

The Committee reemphasizes the fact that the National Tourism Policy Act (Public Law 97-63) prohibits any reductions in budget, personnel, or programs at the overseas offices of USTTA. The Committee expects that this provision will be followed until such time as Public Law 97-63 may be amended to remove this restriction.

During hearings on S. 2307, the Committee received testimony from witnesses representing State and local tourism offices, convention and visitors bureaus, small business, and a major airline. They argued that USTTA, as a Federal tourism office, provides services that private and public interests would be unable to replicate in its absence:

1. Development of new foreign markets through cooperative advertising campaigns delivered by USTTA offices overseas;
2. Attraction of overseas dollars to both major and lesser known U.S. destinations;
3. Representation of U.S. travel and tourism interests internationally; and
4. Liaison between travel and tourism interests and relevant Federal agencies.

The witnesses testified that it is more efficient for USTTA to provide the first two of the above mentioned services centrally, rather than have travel and tourism interests duplicating efforts at greater cost and with less effectiveness.

With regard to the latter two services, the witnesses testified that assistance from a Federal travel and tourism office in dealing with international concerns simply cannot be provided by State or local governments, the private sector, or a combination thereof.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as

BEST COPY AVAILABLE

reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

THE INTERNATIONAL TRAVEL ACT OF 1961

Section 304 of that Act

SEC. 304. For the purpose of carrying out this Act there is authorized to be appropriated an amount not to exceed $8,600,000 for the fiscal year ending September 30, 1982 , *not to exceed $13,000,000 for the fiscal year ending September 30, 1987, not to exceed $14,000,000 for the fiscal year ending September 30, 1988, and not to exceed $15,000,000 for the fiscal year ending September 30, 1989.* Funds appropriated under this section shall be available without regard to the provision of section 501 and 3702 of title 44 of the United States Code. Funds appropriated under this section for printing of travel promotion materials are authorized to be made available for two fiscal years.

O

BEST COPY AVAILABLE